

Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 EB-11 RSC-01 DRC-01 /034 W

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R 122138Z SEP 74

FM AMEMBASSY MEXICO

TO SECSTATE WASHDC 3779

INFO USDOC WASHDC

AMCONSUL MONTERREY

AMCONSUL GUADALAJARA

UNCLAS MEXICO 7784

E.O. 11652: N/A

TAGS: BEXP, BR, AR, EC, MX, UY, BF, EC, ES, CI, DR

SUBJECT: OUTSIDE CONTRACTING OF WORLD TRADERS DATA REPORTS (WTDR'S)

REF: STATE 186718

1. REFERENCED TELEGRAM INCLUDES THIS POST AMONG THOSE BELIEVED TO BE CONTRACTING OUT SOME OR ALL OF REQUIREMENTS FOR WTDR'S.

2. IN 1966 THE COMMERCIAL INTELLIGENCE OFFICE WAS UNABLE TO KEEP UP WITH A GROWING NUMBER OF WTDR REQUESTS. SINCE ADDITIONAL PERSONNEL WAS NOT AUTHORIZED, A PERSON WAS FOUND TO PREPARE WTDR'S ON CONTRACT. THE PERSON WAS AN EX-EMBASSY EMPLOYEE, WHO OCCUPIED A DESK IN THE COMMERCIAL INTELLIGENCE OFFICE, USED THE CI FILES, AND WAS SUPERVISED TO THE SAME DEGREE AS OTHER EMPLOYEES IN THE OFFICE. WHEN SHE LEFT IN 1967, THE EMBASSY FAILED TO FIND SOME-ONE ELSE TO WORK UNDER THESE CONDITIONS AND AUTHORIZATION WAS FINALLY OBTAINED TO HIRE A PERSON TO TAKE HER PLACE.

3. NO FURTHER CONTRACTING OF WTDR'S HAS BEEN ATTEMPTED, NOR DOES THE EMBASSY INTEND TO DO SO. WTDR PREPARATION AT THIS POST HAS BEEN A FUNCTION OF LOCAL COMMERCIAL INVESTIGATORS, PERFORMED ALONG WITH GENERAL INVESTIGATIVE SERVICES TO THE COMMERCIAL SECTION AND AMERICAN BUSINESS INQUIRERS. THE VARIOUS FUNCTIONS HAVE BEEN INTERRELATED AND CONTACTS MADE IN THE PERFORMANCE OF ONE HAVE PROVIDED BACKGROUND INFORMATION FOR CARRYING OUT THE OTHERS. THE TRADE CENTER REGULARLY MAKES USE OF THE WTDR

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FILES AND DURING EXHIBITS RECEIVES EXTENSIVE SUPPORT IN THE WAY

OF INFORMATION TO EXHIBITORS ON PROSPECTIVE AGENTS BEING INTERVIEWED. IT HAS EXPRESSED IT ENTIRE SATISFACTION WITH THE SERVICE.

4. ADVANTAGE IS TAKEN OF THIS OPPORTUNITY TO COMMENT ON INFORMATION SUBMITTED IN EMBASSY'S A-81, 2/20/74, RE COST OF WTDR PREPARATION, IN REPLY TO STATE 251796 OF 12/29/73.

5. AN EXTENSIVE STUDY MADE IN 1968 INDICATED THAT THE COST OF PREPARING WTDR'S IN THE EMBASSY WAS LOWER THAN THE PRICE OFFERED TO THE DEPARTMENT OF COMMERCE BY DUN AND BRADSTREET IN 1967. THE STUDY IN FEBRUARY OF THIS YEAR SHOWED A SHARP INCREASE, DUE NOT ONLY TO INCREASES IN SALARY DURING THAT TIME BUT ALSO TO THE FOLLOWING CIRCUMSTANCES:

A. THE EMBASSY INCLUDED TIME DEVOTED TO VOLUNTARY SUBMISSION OF WTDR FORMS ON A LARGE NUMBER OF SUBJECTS PREVIOUSLY REPORTED BY CABLE, SUBMITTED IN ORDER TO MAKE POSSIBLE THE COMPUTERIZATION OF INFORMATION TO INCLUDE THE SUBJECTS IN THE FOREIGN TRADERS INDEX FOR PREPARATION OF THE EXPORT MAILING LISTS NOW BEING SOLD BY THE DEPARTMENT OF COMMERCE. THIS TIME OBVIOUSLY SHOULD NOT HAVE BEEN INCLUDED, ALTHOUGH IT WAS A WTDR-RELATED ACTIVITY.

B. STATE A-11780 OF 12/5/72 "A NEW COMMERCIAL INFORMATION SYSTEMEETC." REQUIRED THAT WTDR'S BE PREPARED ON ALL NAMES INCLUDED IN LISTS OF MAJOR PROSPECTIVE CUSTOMERS SUBMITTED BY MARKET RESEARCH FIRMS CONTRACTED TO REPORT ON TARGET INDUSTRIES. SINCE THESE LISTS INCLUDED LARGE NUMBERS OF FIRMS WHICH ARE NOT NEGOTIATING PURCHASES OR CREDITS, A MAJORITY HAVE NO INTEREST IN PROVIDING BASIC WTDR INFORMATION TO FACILITATE PREPARATION OF REPORTS. IN CONTRAST, WTDR'S REQUESTED BY U.S. FIRMS ARE USUALLY ON SUBJECTS WITH WHICH THEY ARE NEGOTIATING. AT LEAST TWO-THIRDS OF THESE SUBJECTS ARE WILLING TO PICK UP THE QUESTIONNAIRES, GREATLY FACILITATING PREPARATION OF REPORTS. WTDR'S ON FIRMS INCLUDED IN LISTS OF THE MAJOR PROSPECTIVE CUSTOMERS (OF WHICH THE EMBASSY PREPARED APPROXIMATELY 100 IN FISCAL 1974) REQUIRE NUMEROUS FOLLOW-UPS BY TELEPHONE OR PERSONAL VISIT. IN SOME CASES THE WTDR'S, WHERE THE IMPORTANCE OF THE FIRM SEEMED TO JUSTIFY THE EXPENSE, WERE DRAWN LARGELY FROM DUN AND UNCLASSIFIED

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BRADSTREET REPORTS. THE BMASSY IS STILL ENGAGED IN PREPARING REPORTS ON THESE MAJOR PROSPECTIVE CUSTOMERS. FORTUNATELY A-2298 OF 3/20/74 INSTRUCTED THE POSTS THAT AFTER FINISHING WTDR'S ON THE METAL WORKING AND FINISHING EQUIPMENT LIST, WTDR'S WILL NO LONGER BE REQUIRED ON TARGET INDUSTRY LISTS. THIS WILL REDUCE NOT ONLY THE AMONT OF TIME DEVEOTED TO WTDR PREPARATION, BUT ALSO THE AVERAGE TIME PER REPORT.

C. FOR MANY YEARS THE EMBASSY HAS MADE LIMITED USE OF DUN AND BRADSTREET SERVICES TO SUPPLEMENT ITS OWN RESOURCES IN THE COMMERCIAL INTELLIGENCE FIELD. THE SERVICE CONSISTS IN A CONTRACT FOR 50 REPORTS, WHICH MUST BE USED IN A 13-MONTH PERIOD, AND THE D AND B DIRECTORY FOR MEXICO, CODING THE REPUTATION AND FINANCIAL STRENGTH OF ALL COMPANIES ON WHICH REPORTS ARE AVAILABLE. THE DIRECTORY WHICH IS REPLACED AFTER SIX MONTHS, IS USED ROUTINELY IN THE PREPARATION OF WTDR'S AS ONE FURTHER SOURCE OF INFORMATION ON THE SUBJECT. REPORTS ARE USED ONLY WHEN THE FIRM IS KNOWN TO BE IMPORTANT BUT DETAILS ARE NOT AVAILABLE FROM OTHER SOURCES. SINCE BOTH THE DIRECTORY AND THE REPORTS ARE USED FOR OTHER THAN WTDR PREPARATION, THE TOTAL COST OF THE SERVICE SHOULD NOT HAVE BEEN INCLUDED IN THE COMPUTATION OF WTDR COSTS. THE DIRECTORY IS REGULARLY USED TO ASSIST VISITING BUSINESSMEN, INCLUDING TRADE CENTER EXHIBITORS, WHO INQUIRE ABOUT FIRMS ON WHICH THERE ARE NO WTDR'S.

REPORTS ARE OCCASIONALLY USED BY OFFICERS OF THE COMMERCIAL SECTION WHEN THEY REQUIRE INFORMATION ON FIRM UNWILLING TO COOPERATE AND FROM TIME TO TIME BY OTHER SECTIONS OF THE EMBASSY. THE COST OF THE D AND B CONTRACT IS \$568.00.

6. THE EMBASSY BELIEVES THAT CONTRACTING WTDR'S WOULD BE LESS EFFECTIVE AND MORE EXPENSIVE THAN DOING THEM IN THE OFFICE AND THAT THE COMMERCIAL SECTION WOULD LOSE THE SIDE ADVANTAGES OF CONTACTS IN THE LOCAL BUSINESS COMMUNITY AND FAMILIARITY WITH LOCAL BUSINESS CONDITIONS OBTAINED DURING PREPARATION OF REPORTS. NUMBER OF REQUESTED WTDR'S HAS BEEN CONSIDERABLY REDUCED THIS YEAR. COMMENTS RECEIVED HERE INDICATE BUSINESSMEN FEEL WTDR'S VERY HELPFUL BUT INCREASE FROM \$5 TO \$15 WAS EXCESSIVE.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: WORLD TRADE DIRECTORY REPORTS, CONTRACTS
Control Number: n/a
Copy: SINGLE
Draft Date: 12 SEP 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974MEXICO07784
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740256-0774
From: MEXICO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740952/aaaabrww.tel
Line Count: 146
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: STATE 186718
Review Action: RELEASED, APPROVED
Review Authority: boyleja
Review Comment: n/a
Review Content Flags:
Review Date: 08 MAY 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <08 MAY 2002 by maustmc>; APPROVED <11 FEB 2003 by boyleja>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: OUTSIDE CONTRACTING OF WORLD TRADERS DATA REPORTS (WTDR'S)
TAGS: BEXP, ETRD, BR, AR, EC, MX, UY, BF, ES, CI, DR
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005